STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division Honolulu, Hawaii 96813

November 8, 2013

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

Kauai

PSF No.: 13KD-154

Authorize a One-Year Holdover of General Lease No. S-3795 to Hawaiian Telcom, Inc., or its Assignee, GTP Structures I, LLC, for Telecommunication Purposes, Hanapepe, Waimea, Kauai, Tax Map Key: (4) 1-9-003 portion, and Waimea, Kauai TMK: (4) 1-4-001 portion.

APPLICANTS:

Hawaiian Telcom, Inc., a Hawaii corporation, or its Assignee, GTP Structures I, LLC, a Delaware limited liability company

LEGAL REFERENCE:

Section 171-40, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Hanapepe, Waimea, Kauai, Tax Map Key: (4) 1-9-003 portion, and Waimea, Kauai TMK: (4) 1-4-001 portion, as shown on the attached maps labeled Exhibit A.

AREA:

45,377 square feet, more or less.

ZONING:

State Land Use District: Conservation

TRUST LAND STATUS:

Section 5b lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Encumbered by General Lease No. S-3795, Hawaiian Telcom, Inc., for Telecommunication Purposes. Lease expires on November 25, 2013. Last rental reopening occurred on November 26, 1988. Rent is currently \$2,000.00 per annum.

CHARACTER OF USE:

Microwave tower facilities together with appurtenant easements.

LEASE TERM:

One-year holdover

COMMENCEMENT DATE:

November 26, 2013

HOLDOVER ANNUAL RENT:

\$2,000.00 per annum

METHOD OF PAYMENT:

Annual payments, in advance.

RENTAL REOPENINGS:

Not applicable

PERFORMANCE BOND:

Holdover from current lease.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1 that states "Operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

DCCA VERIFICATION:

Hawaiian Telcom, Inc. NO _ Place of business registration confirmed: YES x NO __ Registered business name confirmed: YES x Applicant in good standing confirmed: YES x NO __ GTP Structures I, LLC Place of business registration confirmed: YES x NO__ Registered business name confirmed: YES x NO__ Applicant in good standing confirmed: YES_x_ NO__

REMARKS:

The property covered by this proposal comprises approximately 45,377 square feet of land in Hanapepe and in Puu Ka Pele for microwave towers and easements. On March 4, 1960, the Commissioner of Public Lands, acting on an urgent request from Hawaiian Telephone Company (HTC), granted a right-of-entry for construction of the microwave facilities at the Hanapepe and Puu Ka Pele Sites. HTC had previously been asked by the U.S. Navy to install a microwave system on Kauai, linking a site at Kokee with Bonham Air base and the Hanapepe Central Office.

On November 17, 1961(items E-21 and E-21-a), the Board of Land and Natural Resources (Board) approved separate lease proposals for the two sites. However, due to the delay in withdrawing the site at Puu Ka Pele from the Executive Order (GEO 69), the matter was brought back to the Board and approved under Act 32 on April 19, 1963 (item F-3). General Lease No. S-3795 was issued on November 26, 1963 for a term of 50 years, ending on November 25, 2013.

HTC has been known by a number of different names over the years and is now known as Hawaiian Telcom, Inc. (HTI).

On August 9, 2013 (item D-17), as amended on October 25, 2013 (item D-9), the Board approved the assignment of this lease to GTP Structures I, LLC (GTP). However, the documentation to complete the assignment has not yet been finalized. Accordingly, staff is requesting that the holdover be documented in either HTI's or GTP's name, depending on which entity holds title to the lease at the time the holdover instrument is prepared by the Department of the Attorney General. The one-year holdover will provide time to for HTI or GTP, as appropriate, to apply for a new lease of the site.

As of October 11, 2013 HTI is in compliance with all lease terms and conditions. Rent is paid up to November 25, 2013. HTI has posted a \$4,000.00 bond. In the past five

years there have been no Notices of Default issued.

HTI and GTP have not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

The proposed use has continued since 1963 and will continue. Such use has resulted in no known significant impacts, whether immediate or cumulative, to the natural, environmental and/or cultural resources in the area. As such, staff believes that the proposed use would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

RECOMMENDATION: That the Board:

- 1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
- 2. Authorize the issuance of a one-year hold over lease to Hawaiian Telcom, Inc., or its Assignee, GTP Structures I, LLC, as appropriate, covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current lease holdover document form, as may be amended from time to time;
 - B. Review and approval by the Department of the Attorney General; and
 - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

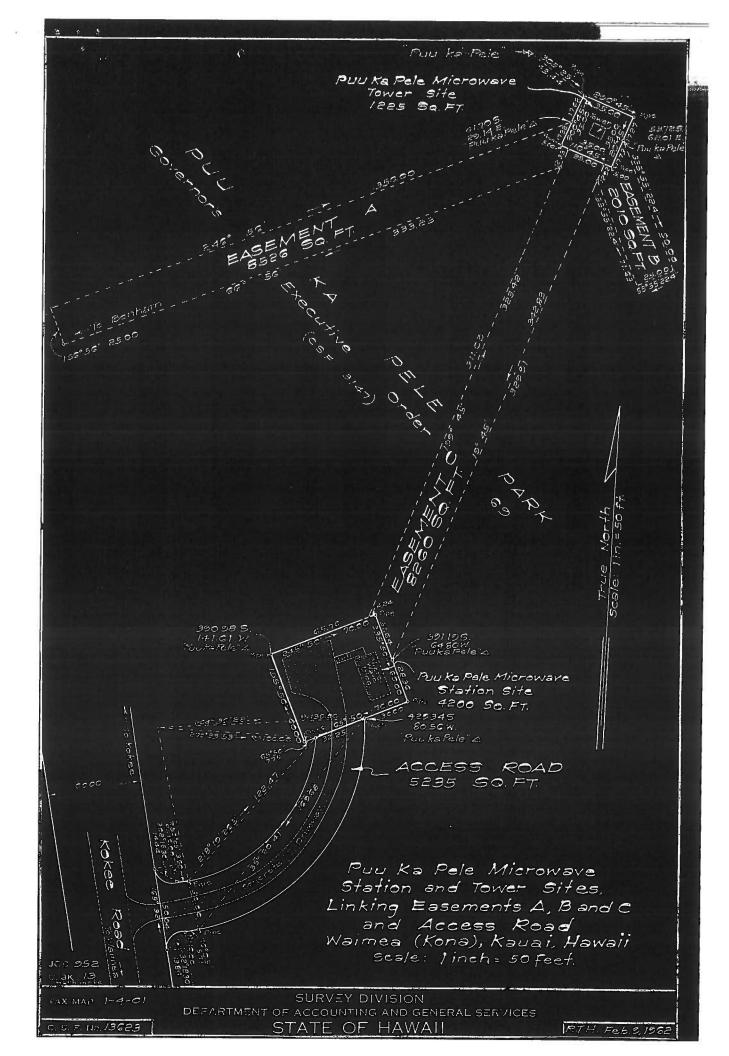
Milo Spindt

District Land Agent

APPROVED FOR SUBMITTAL:

William J. Áila, Jr., Chairperson

XHIBIT" A







STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES LAND DIVISION

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

November 8, 2013

EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Authorize a One-Year Holdover to Hawaiian Telcom, Inc., or

its Assignee, GTP Structures I, LLC, for Telecommunication Purposes, Hanapepe, Waimea, Kauai, Tax Map Key: (4) 1-9-003 portion, and Waimea, Kauai TMK: (4) 1-4-001 portion.

Project / Reference No.: PSF No. 13KD-154

Project Location: Portion of Government lands of Hanapepe, Waimea, Kauai,

Tax Map Key: (4) 1-9-003 portion, and Waimea, Kauai TMK:

(4) 1-4-001 portion

Project Description: Authorize a One-Year Holdover to Hawaiian Telcom, Inc., or

its Assignee, GTP Structures I, LLC, for Telecommunication

Purposes.

Consulted Parties: None

Exemption Class No. In accordance with the "Division of Land Management's and Description:

Environmental Impact Statement Exemption List" approved

Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1 that states "Operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond

that previously existing."

Exemption Item Description: The proposed exemption is appropriate because the Applicant

is requesting a one-year holdover of an existing lease. The

Exemption Notification for Authorize a One-Year Holdover to Hawaiian Telcom, Inc., or its Assignee, GTP Structures I, LLC, for Telecommunication Purposes.

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property has been used for telecommunications since March 4, 1960 and the applicant is not proposing expansion or changing the current use. According to the Applicant, the proposed project maintains the existing use and operations of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that currently existing and should result in no material change or significant impact to the environment. If further actions are taken that result in a material change, Applicant will be required to be in compliance with Chapter 343

Recommendation:

It is recommended that the Board find that the issuance of a revocable permit to Applicant will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

William J. Aila, Jr. Chairperson

Date